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SUBJECT: ETHIOPIA: AIRLINE CHIEF SEEKS USG ASSISTANCE WITH
CODE SHARE AGREEMENT AND FREE TRADE ZONE

¶1. (SBU) At a meeting with the Ambassador February 5, Ethiopian Airlines Chief Executive Officer Girma Wake requested USG assistance with two of the airline's strategic initiatives: membership in the Star Alliance airline network and establishment of a free trade zone at Bole International Airport. Girma told the Ambassador that Ethiopian sought to enter into a code share agreement with United Airlines, via a Star Alliance membership, to increase passenger and, more importantly, cargo business between the U.S. and Ethiopia. Girma indicated that he was in negotiations with Star Alliance and requested USG support of its bid to join the organization. (Note: Ethiopian Airlines is a state-run monopoly which includes Foreign Minister Seyoum among its board of directors. Its purchase of \$1.8 billion worth of Boeing aircraft represents the largest U.S. commercial export to the country. End Note)

¶2. (SBU) Girma also informed the Ambassador that he would like to establish a free trade zone (FTZ) on the grounds of Bole International Airport. He envisioned an FTZ focusing on a myriad of products, but primarily electronics from Asia. Girma said that Prime Minister Meles had already given the "green light" for the project and that land had already been allocated. Girma noted that USG technical assistance to establish the FTZ would kick-start the initiative.

¶3. (SBU) Comment. U.S. support for a code share agreement between United Airlines and Ethiopian will help underscore Ethiopia's development efforts. This would also compliment ongoing U.S. efforts to provide Title I food aid. End Comment.
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